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Aptos (APT) Price Drops 50% After Criticism of VC Heavy Tokenomics

Original:

<https://www.btcc.com/en-US/academy/research-analysis/aptos-apt-price-drops-50-after-criticism-of-vc-heavy-tokenomics>

Abstract:

- The 'Solana killer' created by ex-Meta employees has gone live.
- Hours after becoming live on the mainnet, [Aptos](#) is still experiencing growing pains.
- The bulk of tokens are held by the team and investors.

Ex-Meta staffers have released their Aptos blockchain network to mainnet, but its tokenomics and TPS claims have been met with skepticism from the crypto community. The price of [APT](#) dropped by half in the first few hours of trade on key platforms.

Aptos is the result of four years of work by the same team behind Facebook's doomed Diem cryptocurrency project.

Aptos joins a growing list of layer-1 blockchain networks that have gone live with the promise of being a "killer" of existing platforms. The project's CTO, Avery Ching, said at the time of its unveiling this year that "current blockchains are just not as dependable as existing financial rails, we've seen issues of downtime and outages that persist for hours," suggesting that Solana is a direct competitor.

Mainnet has arrived. <https://t.co/wZajVZMa5Q>

— Aptos (@Aptos_Network) [October 17, 2022](#)

Troubles in the Aptos Deal

Aptos employs the Move programming language, which is "natively integrated for safe asset management as well as rapid and secure transaction execution."

The team's goal is to enable a wide variety of web3 apps and to entice developers away from existing networks. In a press release dated October 18th, they said, "We are proudly supporting a wide variety of use cases across NFT, gaming, commerce, social networks, and media & entertainment."

As many as 130,000 transactions per second (TPS) are possible, according to Aptos. Engineers, however, say it is significantly slower than even the Bitcoin network.

Aptos is broken.

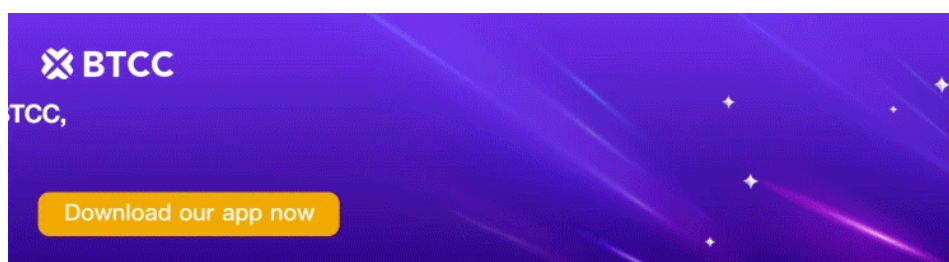
Aptos launched today - October 17, 2022 at 14:22:40

However, Aptos is currently has a lower tps than Bitcoin and a majority of tokens are either staked or ready to be dumped on retail investors.

Curious? Thread Below

□

— Paradigm Engineer #420 (@ParadigmEng420) [October 17, 2022](#)



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Support of Major Exchanges

Many of the largest cryptocurrency trading platforms have been quick to include the APT token, including Coinbase, Binance, and FTX (all of which were Aptos investors). Despite the lack of clear tokenomics or an established schedule for token emissions, the decision has been made. This seems to be of little concern to the project's backers.

It was suggested that basic information on the item being listed should be a requirement:

<https://twitter.com/cobie/status/1582208726639206400?s=20&t=oA0WIC8b8dzNkcbryA2xJQ>

The tokenomics research conducted by the engineer who looked into the low TPS revealed that the team and investors hold and control as much as 80% of the total supply of APT.

Since "no public auction or other way where consumers could have earned tokens" existed, "the point is that practically the entire token supply is going to private parties."

Several other well-known figures in the crypto world felt similarly:

Personally won't go near Aptos. I believe it raised at a 2B valuation. There are way better things out there. Don't think this is one (for now). Maybe short term you get volatility.

BUT

Imo chart will end up something like this over time. Let time and price prove otherwise pic.twitter.com/KMp75ENvWP

— Pentoshi 🐦 euroPeng 🐦 (@Pentosh1) [October 18, 2022](#)

Pump and Dump in the APT market

Token prices spiked after they were first listed on exchanges a few hours ago, reaching a high of \$13.73 on Oct. 19 morning, according to data from cryptocurrency tracker CoinGecko.

Yet, as is customary and as was forecast by market analysts, APT has already dropped over 50% to \$7.30 at press time. There is a possibility that this is a massive dump on the retail sector by VCs and investors.

🐦 [#APT \\$APT #APTOS](#)

Massive dump: 60 to 12\$ in few seconds 🐦

Do not FOMO pic.twitter.com/PlcNNUR0ky

— CryptoHold4Ever (@CryptoHold4Ever) [October 19, 2022](#)